

This PPM can be used for section 504D, 505D, and 506D securities offerings. A 504D is for an offering of securities up to \$1.5 million, 505D is for an offering of securities up to \$5 million, and 506D is for and unlimited offering if certain criteria of Section 4(2) of the Securities Act of 1933 are met. This PPM is set up for a 506D filing, ALL YOU NEED TO DO to make this 504D or 505D compliant is simply replace any references to “506D” in this document with 504D or 505D as determined by the amount of the offering, the rest of the language does not change at all. (Note: Delete everything here in red after you have read and understand this)

Private Placement Memorandum

Number: _____

COMPANY LOGO HERE

\$1,500,000 of Common Stock

This Private Placement Memorandum (the “Memorandum”) relates to the sale of \$1,500,000 of Common Stock (“Common Shares”) by COMPANY NAME HERE, Inc. (“Company Name Here” or the “Company”). There is no public market for any securities of the Company, and no such market is expected to develop following this offering.

THESE COMMON SHARES OFFERED HEREBY ARE SPECULATIVE AND INVESTMENT IN COMMON SHARES INVOLVES A HIGH DEGREE OF RISK. INVESTORS MUST BE PREPARED TO BEAR THE ECONOMIC RISK OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD AND BE ABLE TO WITHSTAND A TOTAL LOSS OF THEIR INVESTMENT. SEE “RISK FACTORS.”

THE COMMON SHARES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY APPLICABLE STATE OR FOREIGN SECURITIES LAWS, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE OR FOREIGN REGULATORY AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM OR ENDROSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE COMMON SHARES ARE OFFERED PURSUANT TO EXEMPTIONS PROVIDED BY SECTION 4(2) OF THE SECURITIES ACT, REGULATION D THEREUNDER, CERTAIN STATE, AND FOREIGN SECURITIES LAWS AND CERTAIN RULES AND REGULATIONS PROMULGATED PURSUANT THERETO. THE COMMON SHARES MAY NOT BE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT ANY APPLICABLE STATE AND FOREIGN SECURITIES LAWS OR AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED.

| | Offering Amount | Proceeds to Company |
|-------------|-----------------|---------------------|
| Total | \$1,500,000 | \$1,500,000 |

The common shares are being offered only to the investors who meet certain suitability requirements. The Company reserves the right to approve each investor. See “Investor Suitability Requirements.”

PRIVATE PLACEMENT PROCEDURES

We undertake to make available to every investor, during the course of the transaction and prior to sale, the opportunity to ask questions of and receive answers from us concerning the terms and conditions of the offering and obtain any appropriate additional information (i) necessary to verify the accuracy of the information contained in this Memorandum or (ii) for any other purpose relevant to a prospective investment in the Common Shares offered in this Memorandum.

All communications or inquiries relating to these materials or to a possible transaction involving the Company should be directed to the following individuals at Company Name Here.

Name
Title
Phone
Fax
[Email](#)

Name
Title
Phone
Fax
[Email](#)

Corporate Offices
Address

Regional Offices
Address

THIS MEMORANDUM IS BEING USED BY THE COMPANY IN CONNECTION WITH THE PRIVATE PLACEMENT OF COMMON STOCK, (THE "SECURITIES") PURSUANT TO AN EXEMPTION FROM REGISTRATION CONTAINED IN SECTION 4(2) OF THE SECURITIES ACT AND RULE 506 THEREUNDER AS WELL AS APPLICABLE STATE AND FOREIGN SECURITIES LAWS.

THIS MEMORANDUM IS SUBMITTED ON A CONFIDENTIAL BASIS FOR THE USE SOLELY IN CONNECTION WITH THE CONSIDERATION OF THE PURCHASE OF THE SECURITIES DESCRIBED HEREIN. THE RECEIPT OF THIS MEMORANDUM CONSTITUTES THE AGREEMENT ON THE PART OF THE RECIPIENT HEREOF AND ITS REPRESENTATIVES TO MAINTAIN THE CONFIDENTIALITY OF THE INFORMATION CONTAINED HEREIN. THIS MEMORANDUM MAY NOT BE REPRODUCED IN WHOLE OR IN PART AND ITS USE FOR ANY PURPOSE OTHER THAN TO EVALUATE AN INVESTMENT IN THE SECURITIES IS NOT AUTHORIZED. NEITHER MAY THE CONTENTS OF THIS MEMORANDUM BE COMMUNICATED TO ANY THIRD PARTY WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMPANY. THE RECEIPT OF THIS MEMORANDUM CONSTITUTES THE AGREEMENT ON THE PART OF THE RECIPIENT TO THE FOREGOING.

THE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE AND FOREIGN SECURITIES LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE EXEMPTION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 MAY NOT BE AVAILABLE. ALL INVESTORS WILL BE REQUIRED TO UNDERTAKE THAT THEY WILL NOT RESELL THE SECURITIES EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION FROM REGISTRATION. CERTIFICATES FOR THE SECURITIES WILL BEAR A LEGEND TO THAT EFFECT. INVESTORS SHOULD BE AWARE THAT THEY MIGHT BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION CONCERNING THE COMPANY OR THE SECURITIES OFFERED HEREBY OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE SECURITIES OFFERED HEREBY, NOR DOES IT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY FROM ANY PERSON IN ANY STATE OR OTHER JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL, OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO, OR TO A PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION.

STATEMENTS IN THIS MEMORANDUM ARE MADE AS OF THE DATE HEREOF UNLESS STATED OTHERWISE AND ARE SUBJECT TO CHANGE, COMPLETION OR AMENDMENT WITHOUT NOTICE. NEITHER THE DELIVERY OF THIS MEMORANDUM AT ANY TIME, NOR ANY SALES HEREUNDER, SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

THE COMPANY HAS ESTABLISHED INVESTOR SUITABILITY STANDARDS FOR PURCHASERS OF THE SECURITIES. EACH INVESTOR MUST REPRESENT TO THE COMPANY THAT: (A) SUCH INVESTOR HAS SUCH KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS SO AS TO BE CAPABLE OF EVALUATING THE MERITS AND RISKS OF HIS, HER OR ITS INVESTMENT IN THE SECURITIES AND SUCH INVESTOR IS ABLE TO BEAR THE ECONOMIC RISKS OF AN INVESTMENT IN THE SECURITIES AND TO AFFORD THE COMPLETE LOSS OF THE INVESTMENT; (B) THE SECURITIES TO BE ACQUIRED BY SUCH INVESTOR ARE BEING ACQUIRED FOR HIS, HER OR ITS OWN ACCOUNT AND WITHOUT A VIEW TO, OR FOR RESALE IN CONNECTIONS WITH, ANY DISTRIBUTION THEREOF OR ANY INTEREST THEREIN; AND (C) SUCH INVESTOR HAS HAD ACCESS TO SUCH FINANCIAL AND OTHER INFORMATION, AND HAS BEEN AFFORDED THE OPPORTUNITY TO ASK SUCH QUESTIONS OF

THE REPRESENTATIVES OF THE COMPANY AND RECEIVE ANSWERS THERETO, AS SUCH INVESTOR HAS DEEMED NECESSARY IN CONNECTION WITH HIS, HER OR ITS DECISION TO PURCHASE THE SECURITIES.

CERTAIN PROVISIONS OF VARIOUS AGREEMENTS ARE SUMMARIZED IN THIS MEMORANDUM, BUT PROSPECTIVE INVESTORS SHOULD NOT ASSUME THAT SUCH SUMMARIES ARE COMPLETE. SUCH SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE TEXTS OF THE ORIGINAL DOCUMENTS, WHICH WILL BE MADE AVAILABLE BY THE COMPANY UPON REQUEST BY PROSPECTIVE INVESTORS.

PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS LEGAL OR INVESTMENT ADVICE. THE COMPANY HAS NOT ENGAGED LEGAL OR OTHER ADVISORS FOR OR ON BEHALF OF ANY INVESTOR AND EACH INVESTOR SHOULD CONSULT HIS, HER OR ITS OWN COMPETENT COUNSEL, ACCOUNTANT, OR BUSINESS ADVISOR AS TO LEGAL AND RELATED MATTERS CONCERNING THE INVESTMENT. THE COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE SECURITIES REGARDING THE LEGALITY OF AN INVESTMENT THEREIN BY SUCH OFFEREE OR PURCHASER UNDER APPROPRIATE INVESTMENT OR SIMILAR LAWS. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. BY ACCEPTANCE OF THIS MEMORANDUM, PROSPECTIVE INVESTORS RECOGNIZE AND ACCEPT THE NEED TO CONDUCT THEIR OWN THOROUGH INVESTIGATION AND DUE DILIGENCE BEFORE CONSIDERING AN INVESTMENT IN THE SECURITIES. REPRESENTATIVES OF THE COMPANY WILL BE AVAILABLE TO DISCUSS WITH PROSPECTIVE INVESTORS, ON REQUEST, THE INFORMATION CONTAINED HEREIN.

THE SECURITIES ARE BEING OFFERED BY THE COMPANY, SUBJECT TO PRIOR SALE, ACCEPTANCE OF AN OFFER TO PURCHASE, WITHDRAWAL, CANCELLATION, MODIFICATION OF THE OFFERING WITHOUT NOTICE OR APPROVAL OF CERTAIN LEGAL MATTERS BY THE COMPANY'S LEGAL COUNSEL. THE COMPANY RESERVES THE RIGHT TO REJECT OR REDUCE THE SUBSCRIPTION OF ANY PROSPECTIVE INVESTOR EVEN IF SUCH INVESTOR SATISFIES ALL OF THE SUITABILITY STANDARDS DISCUSSED IN THIS MEMORANDUM. IF THE PROSPECTIVE INVESTOR RECEIVING THIS MEMORANDUM DOES NOT SUBMIT AN OFFER TO PURCHASE, OR IF SUCH OFFER IS SUBMITTED BUT NOT ACCEPTED BY THE COMPANY, THE PROSPECTIVE INVESTOR AGREES TO RETURN PROMPTLY THIS MEMORANDUM AND ANY ACCOMPANYING DOCUMENTS PROVIDED IN CONNECTION HEREWITH

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL, STATE OR FOREIGN SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

TABLE OF CONTENTS

| | Page |
|---|------|
| Summary of the Offering..... | 1 |
| Financial Summary..... | 3 |
| Industry Background..... | 5 |
| Technology Overview..... | 7 |
| Limitations of Current Broadband Access Technologies..... | 10 |
| Company Solution..... | 11 |
| Strategy | 13 |
| Description of Services | 14 |
| Marketing and Revenue..... | 16 |
| Competition..... | 17 |
| Regulatory..... | 18 |
| Facilities..... | 19 |
| Employees..... | 19 |
| Management, Directors, and Key Employees..... | 19 |
| Terms of the Offering..... | 22 |
| Risk Factors..... | 23 |
| Forward Looking Statements..... | 25 |
| Outstanding Capital Stock..... | 26 |
| Investor Suitability Requirements..... | 26 |

Summary of the Offering

The Company

COMPANY NAME HERE is an emerging leader in the deployment of _____ . COMPANY NAME HERE _____ services to Enterprise level business customers. COMPANY NAME HERE address the market demand for carrier class value-added broadband services.

Market #1. The COMPANY NAME HERE network is deployed with a cellular type topology. Each antenna site is specified to provide coverage to a 12-16mile radius. COMPANY NAME HERE will deploy services every 8-10 miles to ensure service overlaps of 4 miles between towers. This strategy enables our customers the ability to receive service from multiple access points, which ensures redundancy, load balancing, and guaranteed performance. In addition, each site is interconnected to multiple points-of-presence (POP) for Internet connectivity. Multiple Fiber Optic carriers provide direct fiber connections in each market. Complete Redundancy is accomplished throughout the COMPANY NAME HERE network by eliminating any single point of failure. With an 80% coverage goal in each market, localized data transfer requirements can be met, end-to-end, entirely on the COMPANY NAME HERE network, avoiding the costs and latency associated with data transfer on the non-COMPANY NAME HERE Internet.

Market #2. COMPANY NAME HERE provides carrier class IP-Based services to small, medium, and Enterprise level business customers. This includes Internet Connectivity, Wireless Local Loops, Managed Security Services, Co-location Services, Web Site and Application Hosting, and other ISP related services. The COMPANY NAME HERE network provides an end-to-end IP infrastructure that will enable the future deployment of emerging services and technologies, such as Voice Over IP and streaming media services.

Value Proposition - Quality of Service. COMPANY NAME HERE has deployed a scalable infrastructure that will provide the quality of service demanded by Enterprise level customers. COMPANY NAME HERE deployment of services eliminates the need for a local exchange carrier, Therefore COMPANY NAME HERE can provide faster provisioning and deployment times, scalable services, and a substantial cost reduction to the customer.

COMPANY NAME HERE, with corporate headquarters in _____ and a regional office in _____, is currently operational in three markets: _____. As of September 1, 2001, COMPANY NAME HERE had approximately _____ Full Time employees.

The Offering

The company is offering \$1,500,000 of the Company's Common Stock. The Company reserves the right to accept purchases for more or less than \$1,500,000 of Common Shares. The Company also reserves the right to approve or disapprove of each investor and to accept or reject any subscriptions in whole or in part, in its sole discretion. See "Investor Suitability Requirements."

Use of Proceeds

The net proceeds received from the sale of the Common Shares will be used primarily for general corporate purposes, including hiring of additional employees, capital costs of infrastructure, increased sales and marketing activities and working capital. Pending such uses, the net proceeds will be invested in short-term investment grade, interest-bearing securities.

Eligible Investors

This offering is made in reliance on exemptions for the registration and qualification requirements of the Securities Act and applicable state, federal, and foreign securities laws. Subscriptions will be accepted only from "accredited investors," as that term is defined in Regulation D under the Securities Act. The Company reserves the right to approve or disapprove of each investor and to accept or reject any subscriptions in whole or in part, in its sole discretion.

COMPANY NAME HERE, The COMPANY NAME HERE names, marks and logos are trademarks of the Company. This Memorandum also includes trademarks of other companies. All other trademarks referred to in this Memorandum are the property of their respective owners.

Financial Summary

The following table consists of selected un-audited financial statements for the period beginning October 1, 2000 to August, 2001. Projections are also included for fiscal years ending December 31, 2001, 2002, and 2003. These projections are based on the current markets only for Company Name Here; Arizona and Washington and do not include the additional product offerings that COMPANY NAME HERE will be offering in 2002 or 2003. See "Forward Looking Statements."

Statistics

| | 8/31/01 | 12/31/01 | 12/31/02 | 12/31/03 |
|--|---------|----------|----------|----------|
| <i>Number of Units Sold (or Customers)</i> | 298 | 430 | 859 | 1243 |
| <i>Monthly Gross Revenue (Year End)</i> | \$XXX | \$XXX | \$XXX | \$XXX |

Income Statement (unaudited)

| | 1/1/01 - 12/31/01 | 1/1/02 - 12/31/02 | 1/1/03 - 12/31/03 |
|--------------------------------|----------------------|----------------------|----------------------|
| <i>Revenue</i> | \$XXX | \$XXX | \$XXX |
| | \$XXX | \$XXX | \$XXX |
| <i>Cost of Sales</i> | \$XXX | \$XXX | \$XXX |
| | \$XXX | \$XXX | \$XXX |
| <i>Gross Margin</i> | \$XXX | \$XXX | \$XXX |
| <i>Gross Margin %</i> | \$XXX | \$XXX | \$XXX |
| | \$XXX | \$XXX | \$XXX |
| <i>Operating Expenses</i> | \$XXX | \$XXX | \$XXX |
| <i>General & Admin</i> | \$XXX | \$XXX | \$XXX |
| <i>Sales & Marketing</i> | \$XXX | \$XXX | \$XXX |
| <i>Total Operating Expense</i> | \$XXX | \$XXX | \$XXX |
| | \$XXX | \$XXX | \$XXX |
| <i>EBIDTA</i> | \$XXX | \$XXX | \$XXX |
| <i>EBITDA %</i> | \$XXX | \$XXX | \$XXX |

Balance Sheet (Unaudited)

December 31, 2001

| | |
|---------------------------------------|-------|
| ASSETS | |
| <i>Current Assets</i> | |
| Cash and Cash Equivalents | \$XXX |
| Accounts Receivable | \$XXX |
| | \$XXX |
| <i>Total Current Assets</i> | \$XXX |
| | \$XXX |
| <i>Long Term Assets</i> | \$XXX |
| Hardware/Infrastructure (net) | \$XXX |
| TOTAL ASSETS | \$XXX |
| | \$XXX |
| LIABILITIES & EQUITY | \$XXX |
| <i>Liabilities</i> | \$XXX |
| <i>Current Liabilities</i> | \$XXX |
| Accounts Payable | \$XXX |
| Notes Payable | \$XXX |
| | \$XXX |
| <i>Total Current Liabilities</i> | \$XXX |
| | \$XXX |
| <i>Long Term Liabilities</i> | \$XXX |
| Accrued Liabilities | \$XXX |
| Capital Lease Obligations | \$XXX |
| | \$XXX |
| <i>Total Long Term Liabilities</i> | \$XXX |
| | \$XXX |
| TOTAL LIABILITIES | \$XXX |
| | \$XXX |
| <i>Equity</i> | \$XXX |
| Shareholder's Equity | \$XXX |
| Net Income and Retained Earnings | \$XXX |
| TOTAL EQUITY | \$XXX |
| | \$XXX |
| TOTAL LIABILITIES & EQUITY | \$XXX |

Industry Background

The current access mediums; enhanced copper, cable, and fiber competently serve only a portion of the available market and, with the exception of fiber, provide insufficient symmetrical bandwidth to meet the multi-megabit needs of the current broadband fixed market and future data speeds.

The Federal Communications Commission (FCC) has made the widespread availability of broadband access to the Internet and other high-speed data service a key strategic priority for continuation of the rapid economic expansion seen by the United States in the 1990's. In response to less than satisfactory progress in the availability of broadband service, the FCC freed-up what had previously been bandwidth reserved for schools and hospitals, the 900 MHz, 2.4 GHz, and 5.7 GHz frequencies, as unlicensed spectrums to allow the rapid development of an alternative wireless infrastructure. Accordingly, radio frequency equipment manufacturers quickly responded by developing innovative, cost-effective solutions to allow service providers the equipment needed to provide broadband wireless services.

Broadband wireless technology has reached the mainstream by providing an alternative to Wired-line solutions. Fixed wireless will be a \$16 billion market by 2004, according to the Strategis Group while Allied Business Intelligence estimates the number of broadband subscribers will grow to 9.4 million in 2005.¹ The Beacon Hill Institute estimates that approximately 11.6 Million business users are still using a dial-up account to reach the Internet and that the lack of broadband access to United States companies are costing \$11.5 Billion annually in lost productivity.²

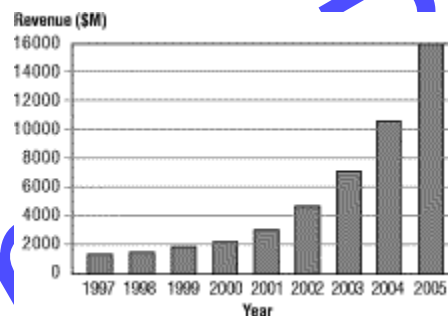


Figure 1 - Growth in Fixed Wireless Broadband Revenues (U.S.)

Another trend that is driving the demand for broadband access is Virtual Private Networking (VPN). Virtual Private Networking enables the secure transmission of private data over a public infrastructure. An increasing mobile workforce, the emergence of an extended enterprise, and communications convergence contribute to this trend. Infonetics Research estimates that worldwide expenditures for VPN applications equaled \$6.3 Billion in 2000 and will exceed \$39.8 Billion by 2004. Pundents further estimate that 51% of small businesses, 55% of mid-sized businesses, and 57% of large

¹ Wireless Broadband Internet Forum. "The Case for VOFDM; Whitepaper"

² Beacon Hill Institute "High Speed Internet Could Save Businesses Billions", February 4, 2001.

organizations are planning to implement a VPN solution by 2002. In fact, the Yankee Group predicts that IP-based VPN's will be used by 70% of all companies for up to 90% of their data communication needs by 2003, replacing private lines and alternative data communication services. The COMPANY NAME HERE Network leverages this trend, implementing VPN solutions that provide an end-to-end managed solution, providing connections that are quicker and data transfer requirements to the non-COMPANY NAME HERE Internet are eliminated or greatly reduced.

Today, demand for information, entertainment, and communications continues to increase and a broadband fixed wireless network presents the single best medium for delivering these services reliably, cost effectively, and profitably. Industry studies confirm that the cost for deployment of fixed wireless networks is the lowest of all currently available transport streams and has the potential to provide connectivity solutions to new areas in significantly less time. Technology advances in wireless modulation techniques enable wireless links to provide the scalable multi-megabit services needed to meet today's requirements, and when used as a local loop bypass, wireless solutions can significantly reduce or eliminate the recurring costs of leased lines.

The range of potential services is limited only by the needs of the customer. The networking industry is in a state of rapid transition from the old-world model based on closed systems providing a single product offering, data, to a new world driven by the need for multiple combined formats such as voice-over-IP (VoIP) and high-speed two-way data and video services. The COMPANY NAME HERE IP Infrastructure enables other related companies and industry to speed deployment of their services to their end user. Competitive Local Exchange Carriers, Data Centers, Media Providers, other service providers and developers of Future Generation IP Technologies require an alternative solution to quickly deploy services without the expense and provisioning delays of the Local Exchange. The COMPANY NAME HERE fixed wireless solution provides a carrier-class primary or redundant circuit that enables partners to provide these solutions to the end user.

Cisco Systems published a "Statement of Direction" regarding the fixed wireless industry and opportunity that is summarized as follows:

- *Improved Revenue Opportunities*---Wireless systems install quickly and provide services in under-served areas in substantially less time than Wired-line alternatives.
- *Differentiated Services*---High-speed broadband fixed scalable services such as Internet access and combined data, voice, and video are now possible in non-traditional wireless markets.
- *Competitive Local Loop Bypass*---Broadband fixed wireless solutions make it possible to deploy bypass solutions over existing incumbents providing competitive solutions to the end user.

Technology

COMPANY NAME HERE utilizes and delivers an agnostic technology solution that is based on the application, market, and specific customer requirements. Having a delivery approach that is agnostic of the technology allows COMPANY NAME HERE to deliver value-added services to our customers without the limitations that are inherent with a single-technology or single-source strategy. Defining the frequencies made available for transmission of broadband IP traffic and the technologies used by various hardware manufacturers to deliver these services will create an understanding of the COMPANY NAME HERE wireless network.

Overview of Radio Frequencies

Digital microwave systems fall into two general frequency categories; between 2-10 GHz (typically referred to as microwave) and greater than 10 GHz (referred to as millimeter-wave). Several frequency bands have been allocated below 10 GHz for high-speed transmissions, such as ISM (2.4 GHz), U-NII (5.7 GHz), and licensed such as MMDS (2.5 GHz). Frequency bands below 10 GHz can have long propagation distances (in some cases up to 30 miles)

The frequencies below 10 GHz are mildly affected by climatic changes such as rain. Objects in the environment do not generally absorb these frequencies. They tend to bounce and thus result in a high amount of multipath. Bands over 10 GHz, such as 24 GHz, LMDS (28 GHz), and 38 GHz are very distance limited (less than 5 miles). They are very susceptible to signal fades due to rain. Multipath tends to not be an issue since most of the transmitted energy that hits an obstruction is absorbed.

ISM (2.4 GHz) – Industrial, Scientific, and Medical (unlicensed)

U-NII (5.7 GHz) – Unlicensed National Information Infrastructure

MMDS (2.5 GHz) – Multi-channel, Multi-point distribution system (licensed)

Overview of current wireless broadband technologies

OFDM - Orthogonal Frequency Division Multiplexing (OFDM) is a modulation technique whereby the digital message stream is divided into parallel streams and each stream is carried at a different frequency, modulating an orthogonal signal set. OFDM employs coding both in time and across different frequencies in order to exploit diversity in the time and frequency domains. As a result, OFDM can mitigate against random and burst noise, flat as well as frequency selective fading, and co-channel interference.

VOFDM – Vector Orthogonal Frequency Division Multiplexing (VOFDM) combines OFDM with spatial processing so that diversity in time, frequency, and space are exploited. VOFDM has advantages to OFDM in the upstream (Time Division Multiple Access, *TDMA*) and the downstream (Time Division Multiplexing, *TDM*)

directions in a point-to-multipoint system. The subscriber units are always in listening mode, or in other words the downstream transmission is being continually demodulated. Whereas, the subscriber units transmit only when they have data to transmit and are given a time slot by the base station during which to transmit. Thus, the downstream direction operates in a continuous mode whereas the upstream direction operates in a burst mode. VOFDM solves the upstream problem by enabling robust burst-mode demodulation even in severe time varying and/or delay spread environments and by allowing higher spectral efficiency possible.

FHSS – Frequency Hopping Spread Spectrum (FHSS or FH) systems transmit narrow band signals in a precisely time pseudo-random order across the operating band. The 802.11 standard define this hopping order into 3 sets, each having 26 sequences. The sequences cover 79 channels across the band, with each sequence being nearly orthogonal to each other in the set. The orthogonal order minimizes the collisions between co-located FH radios. Both the transmitter and receiver must be using the same hopping set and sequence to be synchronized in time step. This technology allows the data packet to hop frequencies in order to avoid multipath, interspectral, and self-interference issues.

DSSS and CDMA - Direct Sequence Spread Spectrum (DSSS or DS) is a signaling method that uses code division multiple access technology (CDMA). CDMA Access is used to allow several simultaneous transmissions to occur. Each data stream is multiplied with a pseudo random noise code (PN Code). All users in a CDMA system use the same frequency band. Each signal is spread out and layered on top of each other and overlaid using code spreading in the same time slot. The transmitted signal is then recovered by using the PN Code. Data transmitted by other users look like white noise and drops out during the reception phase. Any narrowband noise is dispersed during the de-spreading of the data signal. The advantage of CDMA is the fact that the amount of bandwidth required is now shared over several users. However, in systems where there are multiple transmitters and receivers, proper power management is needed to ensure that one user does not overpower other users in the same spectrum. Each DS system transmits the same information on the same channel each time. The 802.11 specifications define 11 channels, with 3 being non-overlapping. The 3 non-overlapping channels can provide for 3 systems being co-located.

Laser Beam – Several manufactures have developed or are developing systems that can transport bandwidth via laser. These products have been highly susceptible to weather and require a precise line-of-sight. COMPANY NAME HERE will evaluate these technologies over time for practicality of deployment.

Long Range Ethernet – The long range Ethernet or Ethernet over copper application has primarily been marketed to multi-tenant buildings (MTU), residential dwellings (MDU), and the hospitality industry. This technology allows for the delivery of broadband within a facility over existing copper wires (telephone wires). This deployment has several advantages. The first is the ability to provide one wireless connection to a facility and the second is the ability to use existing copper (telephone

wires) to deliver broadband services to the end user. This eliminates the need to install multiple antennas and run computer cabling to each office or residence. This solution is included in the technology section, as it has the potential to be a significant portion of our deployment in our metropolitan markets.

Overview of issues with radio and microwave transmissions

Multipath and Interspectral Interference - Multipath occurs when a receiver hears both the primary signal and a duplicate or echoed images caused by signals reflecting off objects between the transmitter and receiver. The receiver “hears” not only the primary signal sent directly from the transmission facility, but also the secondary signals. Reflected signals arrive at the receiver later than the incident signal causing interference or distortion at the received signal. In Line-of-Sight (LOS) environments, multipath is usually minor and easy to overcome. The amplitudes of the echoed signals are much smaller than the primary one and can be effectively filtered out using standard equalization techniques. But in non-LOS environments, echoed signals may carry higher power levels, because the primary signal may be partially or totally obstructed. Thus equalization design becomes more difficult.

Other Direct Sequence (DS) or Frequency Hopping (FH) Radios in same Frequency Range – In the event that a DS transmitter is nearby an FH subscriber or base station, the impact on the unit would depend on how much traffic the DS system is sending. Since the DS system transmits on a fixed wide channel and the FH system is hopping across the band, they would only contend for the spectrum at the time when the hopper is in the DS channel. If the DS system could occupy the channel 100% of the time, then effectively 1/3 of the band is taken. The FH system would continue to send in the unused portion of the band. Since the 802.11 DS system is a packet-based system, it cannot occupy the channel 100%. The maximum performance impact on the FH system is 13%. When DS systems are co-located in groups of more than 3, service will become unusable or even stop.

Non-802.11 Transmitters – Other carriers may operate systems in the 2.4 GHz band that are of a continuous type (non-packet based). These are usually FDX type non-802.11 DS point-to-point radios. The transmitter power for these systems is concentrated to a narrow area because of their directional point-to-point antennas. The use of these antennas minimizes the probability of interference. Should one of these systems be in the signal path of a DS radio system, that particular channel would be unusable to the DS system. Any subscribers operating on that channel would need to be changed to another channel because service would be down. If the same continuous transmitter were in the signal path of the Frequency Hopping (FH) system, then only part of the band would be unusable.

Self-Interference – This can occur if the equipment is not configured properly, such as using the same hopping sequence on all the radios. Also, improper installation of the antenna systems on the base station can cause self-interference. If several transmitters are co-located, which is the usual case for a sectorized base station; the

antenna must be installed properly with an adequate amount of spacing to keep interference levels at a minimum. Even though each transmitter is using a different hop sequence, just the close proximity to an adjacent receiver with such high power levels can be a problem when not properly planned for in the design.

Summary of COMPANY NAME HERE wireless technology

COMPANY NAME HERE has chosen to implement its wireless infrastructure with a mesh of technologies. See the “Solutions” section for a detailed description of the metropolitan network and the subscriber network.

Metropolitan Network - The wireless backbone and metropolitan network is built with a Direct Sequence point-to-point link using the 5.7 GHz U-NII spectrums. This backbone solution provides the highest level of throughput and provides little no issues with multipath and interspectral interference. This deployment is a line-of-sight application with a range of up to 30 miles.

Subscriber Network – The subscriber network in a given area will either be a 2.4 GHz ISM Frequency Hopping system utilizing OFDM technologies. The combination of the technologies allow for reliable delivery of high-speed broadband services with a Quality of Service to the end user.

Limitations of Current Broadband Access Technologies

Fiber Optic – Fiber capable of OC-3 rates (155 Mbps) can be installed relatively cheaply inside new or existing facilities. However, the installation of fiber outside the facility can be expensive and require substantial time to complete due to the amount of underground work required.

Wired-line Dedicated Access – Current Digital Signaling technologies provide for the delivery of broadband data or voice over T1 and T3 lines, also referred to as DS1 and DS3 lines. T1 lines account for a maximum asymmetrical data rate of 1.54 Mbps and T3 lines account for a maximum asymmetrical data rate of 45 Mbps. These circuits allow Internet Service Providers to deploy dedicated access solutions with a quality of service to their customers. The inherent downside to this offering is the costs imposed by the local exchange for delivery of services from the Local Exchange to the end user. (“The Last Mile”)

Wired-line Shared Access – Twisted pair copper is readily available to 99 percent of all users, the data rate is unacceptably slow for broadband data and provides no path for video or combinations of data, voice, and video. Enhanced copper concepts such as xDSL have the potential to be made available to a great number of users, since it uses twisted pair line. However, roll out of services is limited, since the technology limits the physical distance from a POP. For acceptable high bandwidth use, xDSL has distance limitation of 18,000 feet from the POP. Additionally, since this is not a dedicated

bandwidth solution, actual upstream and downstream data rates will vary with the number of subscribers on the system at any given time.

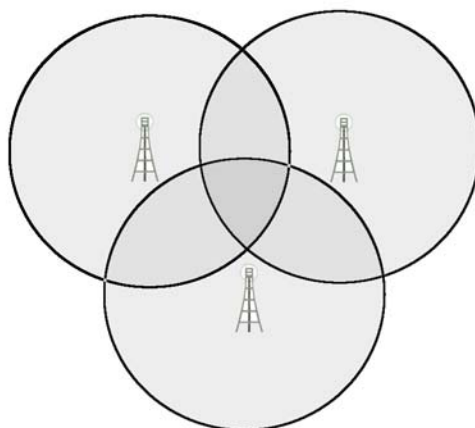
Hybrid fiber coax (HFC) – Cable provides asymmetrical data via a combination of fiber in the backbone network and a hybrid coax/fiber cable to the end user. Cable is currently seeing an increase in usage in the business market but at present is primarily a residential access technology and runs to relatively few businesses.

Satellite – Satellite technologies such as broadband satellite and very small aperture terminal (VSAT) provide asymmetrical data flow to the user and, although a single satellite can cover a wide footprint for point-to-multipoint solutions, the usage has not expanded according to expectations. Possibly because, in the case of broadband satellite, the downstream path is from the satellite while the upstream path is via conventional twisted-pair phone line requiring multiple modems.

COMPANY NAME HERE Solution

The COMPANY NAME HERE network is a tight integration of multiple network topologies and technologies that result in a fault-tolerant, redundant, load-balancing network. This network architecture becomes the equivalent to a metropolitan fiber network with the ability to provide high-speed services to end-users with a coverage probability equivalent to a roaming PCS network.

Figure 2 - COMPANY NAME HERE PCS Network



PCS Subscriber Network Topology – COMPANY NAME HERE deploys services from rooftops and towers, called antenna sites, located strategically in areas that have a high concentration of probable customers. Each cell site has a propagation (coverage area) of 12 miles. COMPANY NAME HERE will deploy towers every 12-16 miles, providing service overlaps of 8-10 miles.

Each subscriber will have multiple cell sites that services could be received from. COMPANY NAME HERE will install a subscriber system at the customer location,

which includes an antenna and a Wireless-to-Ethernet bridge. The customer antenna has a 60 Degree signal. The installer will establish the strongest signaling point during the initial installation. The subscriber system at the customer end will constantly seek the strongest signal from any given tower. If a tower were to lose the ability to provide service, the subscriber system will automatically switch its' connection to another radio and antenna without losing its connection.

In addition to the redundancy provided by the PCS design, the entire network allows for load balancing. The effect of this design is that the entire bandwidth availability of the COMPANY NAME HERE PCS network can be shifted to meet demand on specific segments of the network.

Figure 3 - COMPANY NAME HERE Metropolitan Network

Diagram or Flowchart Here

Metropolitan Network – The COMPANY NAME HERE Metropolitan Network provides a wireless equivalent to a fiber sonnet ring; also referred to as a concentric ring. Each tower is interconnected to each other and to the Point-of-Presence where Internet connectivity point (ICP) is secured. COMPANY NAME HERE will provide its' customers access to multiple Tier 1 fiber optic providers in each market. This ring is a redundant back haul that eliminates any single point of failure within the local Metropolitan Network.

Fiber Connection – COMPANY NAME HERE locates its Internet Connectivity Point (ICP) in data centers that are directly connected to multiple Tier 1 providers of fiber optic Internet connectivity. This creates a multi-homed network, which provides reliability based on redundancy and load-balancing between multiple networks. The Internet connectivity is highly scalable, provisioned quickly, and avoids the excessive charges passed through from the Local Exchange Carrier when using T1 or T3 wired-lines.

Cisco End-to-End Infrastructure – The COMPANY NAME HERE network is designed to provide our customers an end-to-end Ethernet IP-Based solution. This is leveraged by the Cisco carrier-class inter-network that is designed to enable delivery of high-performance IP-Based services, such as Voice Over IP and streaming media service with a committed quality of service.

OSS/BSS – Integration of Operations Systems, and Support and Billing Systems is accomplished by the COMPANY NAME HERE SQL database. The COMPANY NAME HERE database is structured to allow integration of billing systems, customer relationship management systems, sales force automation systems, and other systems, all from a secure web interface. The systems integration approach to our database design will allow for scalability as we offer additional services. The goal is to allow customers the ability to self-provision services and have accurate billing and customer support information available on-demand.

COMPANY NAME HERESTrategy

Value Proposition – Quality of Service. COMPANY NAME HERE has deployed a scalable infrastructure that will provide the quality of service demanded by Enterprise level customers. By eliminating the Local Exchange Carrier, COMPANY NAME HERE can provide faster provisioning and deployment times, scalable services, and a substantial cost reduction to the customer. COMPANY NAME HERE has invested in

_____ Infrastructure that provides Quality of Service guarantees to our customers that exceed industry levels for LEC provisioned Wired-line services. COMPANY NAME HERE is positioned as a provider of IP-Based T1, Fractional T1, T3, and Fractional T3 services which will enable the successful delivery of multi-megabit services that are being required by businesses today.

The Quality of Service Guarantee is summarized as follows:

Uptime Guarantee - 99.97% Uptime or COMPANY NAME HERE will provide 1 day of free service for every hour of network outage experienced in a month.

Committed Information Rate – 100% of your Committed Information Rate will be available on all Corporate or Enterprise Internet connectivity accounts.

Latency Guarantee – 40 millisecond end-to-end on the COMPANY NAME HERE network.

Time to Market – The industry that COMPANY NAME HERE operates in is highly competitive. Corporate customers demand quality of service, competitive pricing, and a high level of customer support. Current technologies do not meet these requirements. Fixed wireless has been identified nationwide as a viable solution to these demands. Being one of the first to deploy a solution that meets these objectives will enable the Company to gain market share, establish a customer base and the associated goodwill, and establish the standards in which the industry markets and delivers service

Rooftop and Squatters Rights – Cities around the country are beginning to place moratoriums on the building of towers and the placing of antennas. Property owners around the country have identified the value of their rooftops. Standard terms of contracts are exclusivity of application and frequency, first right of refusal, and non-interference clauses. By obtaining these rights in advance, COMPANY NAME HERE can secure valuable tower space and rooftop space and create a barrier to entry to our potential competitors.

Subscriber Retention and Valuation – The typical corporate broadband subscriber exhibits a higher degree of loyalty to their service provider than a dial-up customer. COMPANY NAME HERE expects to have a high renewal rate. As companies applications and connectivity requirements become more dependent on their service provider, the cost to make a change may become prohibitive.

Description of Services

Internet Connectivity

Enterprise Wireless - Services range from 2 MB to 480 MB. Customers receive Wireless Local Loop and Internet connectivity. Services are priced based on Wireless Local Loop, Total Burstable Bandwidth, and Committed Information Rate. Services are comparable to Fiber Optic OC-3. The Typical customer has bandwidth requirements from 10MB to 155 MB (OC-3)

Corporate Dedicated Access – Services range from 256 Kbps to 1.5 Mbps. Customers receive a Wireless Local Loop and Internet connectivity with a 50% Committed Information Rate. Services are comparable to Wired-line Frame-Relay or Point-to-Point services provided by the local exchange carrier.

E-Commuter – Services are designed for customers with small offices and e-commuters. This package leverages our Managed Virtual Private Network offering and is deployed to connect small offices or employees working from home. These services allow for burstable bandwidth to 1 MB with a 128K-Committed Information Rate.

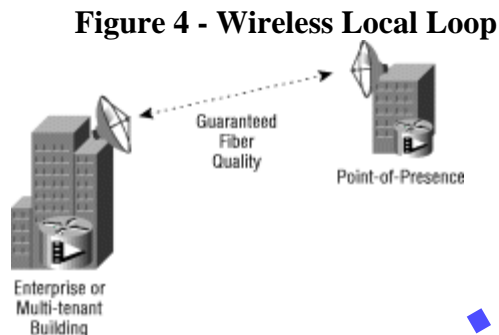
Pure Bandwidth – COMPANY NAME HERE purchases Internet Connectivity from multiple Tier 1 providers at wholesale prices, which enables COMPANY NAME HERETO resell bandwidth to retail customers. Typical customers will co-locate in our data centers and buy guaranteed bandwidth or will purchase additional guaranteed bandwidth with an Enterprise Wireless Local Loop.

Wireless Local Loop

Enterprise Wireless Local Loop – These services allow remote customers to connect to data centers, telecommunications centers, and corporate locations with Wireless bandwidth from 2 MB to 480 MB. Typical customers require a high-bandwidth link to connect their office location to their own point-of-presence. These customers often have their own Tier 1 Internet connection through a data center or co-location facility or are using the service to access the Public Switched Telephone Network. Enterprise links are dedicated circuits that carry IP-Based traffic on the COMPANY NAME HERE backbone.

1.5 Megabit Wireless Local Loop – These services allow remote customers to connect to data centers, telecommunications centers, and corporate locations with wireless bandwidth from 1.5 MB and less. Typical customers require a high-bandwidth link to connect their office location to their own point-of-presence. These customers often have their own Tier 1 Internet connection through a data center or co-location facility or are using the service to access the Public Switched Telephone Network. The

initial connection is made through our PCS Network and then switched to the COMPANY NAME HERE backbone.



Managed Security Services

Virtual Private Networks – Virtual Private Networks (VPN) allow for the secure transmission of private data over a public infrastructure. This is leveraged by the COMPANY NAME HEREMetropolitan Network and the COMPANY NAME HEREe-Commuter service. COMPANY NAME HEREsupports site-to-site networks, extranet applications, and e-commuter applications.

Firewall – Firewall services protect company’s internal networks and dedicated server applications from outside attacks. COMPANY NAME HEREoffers managed firewall, routing, and VPN appliance solutions to end users, which are managed by COMPANY NAME HEREfrom our Network Operations Centers. COMPANY NAME HEREutilizes Cisco Systems firewall, VPN, and routing products and appliances for VPN and firewall.

Internet Service Provider Solutions

Co-location – This service is designed for companies that require their application, servers, or web site to be hosted directly on a fiber optic backbone. Services are priced based on amount of rack space, bandwidth committed, and transfer.

Web Hosting – COMPANY NAME HEREoffers hosting solutions with the following applications and platforms: Apache, Microsoft IIS, Active Server Pages, PHP, Front Page Extensions, and Cold Fusion. Customers receive activity and statistical reporting and other value-added services.

ISP Services – COMPANY NAME HEREoffers standard ISP services, such as static IP addresses, DNS management, POP3 mail, Web Based mail, and Internet connectivity support to the end user.

Marketing and Revenue Channels

Marketing

Market and Business Development – Company Name Here sales strategy is based on catering to the enterprise customer, the public sector, and to individual vertical markets and geographic territories in each region. A region is selected based on geographic suitability (A more suitable geographic region will require less cell sites and will have a higher potential coverage area – defined by potential subscribers), market demand, competition, and strategic relationships. Sales will be accomplished through a direct sales force and through our Alliance partnerships (indirect channel).

Corporate Web Site – The COMPANY NAME HERE web site is a marketing driven site that collects customer information for the sales force and provides corporate information and information about the service offerings of the company. In addition, the site provides service and support information to our customers and end users.

Advertising – COMPANY NAME HERE is working with its technology partners on several co-marketing and advertising initiatives. COMPANY NAME HERE believes that the best advertising channel is its customer base and other I.T. professionals.

Revenue Channels

Direct Channel – The COMPANY NAME HERE Account Manager program is a professional sales organization that is responsible for the sales of COMPANY NAME HERE services. The strategy is to have focused public sector, enterprise, multi-tenant, and vertical market selling efforts by the COMPANY NAME HERE sales force. In addition, each account manager is responsible for a geographic area within a region. This position is a commission-based position.

Indirect Channel – The COMPANY NAME HERE strategy with the indirect channel is to build a network of partners in complementary industries that will help with the marketing, deployment, and maintenance of our customer base. COMPANY NAME HERE recognizes that multiple companies are often involved with the deployment of broadband technology and, as such, wants to foster these relationships for mutual benefit and long-term growth. These include the Alliance Partner and Agent Program and the Wholesale channel.

Alliance Partner and Agent - The COMPANY NAME HERE Alliance program was formed to create a partnership with companies that operate in complementary industries. Alliance Partner relationships are typically reciprocal. Typical Alliance partners are Data Centers, Telecommunications Consultants, Internet Service Providers, and WAN/LAN consulting and design companies. Many of our Alliance Partners also provide installation and maintenance services to COMPANY NAME HERE customers. Alliance Partners differ from Agents, as they made a higher revenue commitment and receive monthly residuals.

Wholesale – A wholesale partner will purchase wholesale services from COMPANY NAME HERE and then market, install, and support these customers with their own resources. The wholesale partner will be required to successfully complete a training and certification process, purchase subscriber CPE from COMPANY NAME HERE, and make a substantial up-front monthly dollar volume commitment.

Competition

Fixed Wireless – Several fixed wireless competitors have been identified nationwide that provide similar services to Company Name Here. Airband, Kite Networks, Advanced Radio Telecom, and Sprint are examples of such companies. With the exception of Sprint, all are relatively new at deploying solutions to the small to medium business customers. Sprint's offerings are marketed as a solution to DSL availability and are targeted primarily towards the small business and residential market. Companies such as Advanced Radio Telecom market almost exclusively to Multi-Tenant Units (Office buildings and skyscrapers). Companies such as Airband and Kite Networks are deploying networks that most closely resemble the COMPANY NAME HEREnetwork. As these companies are still in the market development phase, those who are first to market will gain competitive advantages. From review of competitive marketing materials, Company Name Here's differentiating features is the marketing of "Quality of Service".

xDSL – Companies like Covad Communications, North-Point Communications, and Rhythms Net-Connections are the major providers of DSL offerings nationwide. xDSL provides to end users through local exchange carriers and in cooperation with local and national ISP's. The DSL offering is limited in coverage area (A customer must be within 18,000 meters of the local exchange to receive service) and currently provides services up to a T1. DSL is offered to small businesses and residential customers and is generally not associated with Quality of Service. Of the major players, North-Point has filed for chapter 11 bankruptcy protection, Rhythms has cut 23% of its workforce and Covad announced a second round of layoffs and some office closings. The financial state of the DSL providers have changed the revenue and profit potential for resellers of xDSL services, such as Internet Service Providers. As these resellers have no capital investment in the DSL hardware or infrastructure, COMPANY NAME HEREfeels that these companies will embrace the COMPANY NAME HEREAlliance and Agent Program.

Wired-line T1/T3 – Wired-line services provide customers with dedicated access to their Internet Service Provider. T1/T3 services often provide a committed information rate of approximately 25%-30%. To receive T1 service, the customer must contract the local exchange carrier to carry the "last mile" of service. This ranges from \$200-\$400 monthly for a T1 and from \$2,500 to \$3,500 for a T3. This charge varies based on the distance from the local exchange carrier and will also be taxed approximately 25%. Internet Access charges will apply in addition. Slow provisioning times are common and coordination is often difficult, as services must be coordinated with the local exchange and your Internet Service Provider.

Fiber Optics – Fiber capable of OC-3 rates (155 Mbps) can be installed relatively cheaply inside new or existing facilities. However, the installation of fiber outside the facility can be expensive and require substantial time to complete due to the amount of underground work required. COMPANY NAME HERE has an opportunity to help these providers acquire customers who are not on their “fiber grid” by providing a Wireless Local Loop to the providers point-of-presence. Fiber providers include companies like

Cable Modems - Hybrid fiber coax (HFC) – Cable provides asymmetrical data via a combination of fiber in the backbone network and a hybrid coax/fiber cable to the end user. Cable is currently seeing an increase in usage in the business market but at present is primarily a residential access technology and runs to relatively few businesses. Industry leaders are AT&T Broadband, Cox Communications, and Charter Communications.

Satellite – Satellite technologies such as broadband satellite and very small aperture terminal (VSAT) provide asymmetrical data flow to the user and, although a single satellite can cover a wide footprint for point-to-multipoint solutions, the usage has not expanded according to expectations. Possibly because, in the case of broadband satellite, the downstream path is from the satellite while the upstream path is via conventional twisted-pair phone line requiring multiple modems. The largest competitor identified by COMPANY NAME HERE in this market is Hughes in cooperation with Direct TV.

Regulatory

In addition to regulations applicable to businesses generally, the Company is required to comply with Federal Communications Commission (FCC) regulations for radio frequency devices in order to provide wireless broadband service license-free in the 2.4 GHz and 5.7 GHz frequency band. The FCC regulations for radio frequency devices provide for the requirements under which such devices may be operated and marketed without a license, as well as the technical requirements for all equipment and accessories used to operate in a license-free frequency. The operation and marketing of radio frequency devices not in compliance with such regulations is prohibited without a license, unless specifically exempted.

Operators of radio frequency devices in compliance with FCC regulations do not have a vested or continued right to use such devices in a given frequency. The operation of devices in a given frequency is subject to the condition that no "harmful interference" is caused. Harmful interference occurs under the regulations where the operation of a device endangers the functioning of a radio navigation service or other safety services or seriously degrades, obstructs or repeatedly interrupts a radio communications service operated in accordance with the regulations. In addition, operators must accept under the

regulations that interference with their operation of devices in a given frequency may be caused by authorized radio stations and other operators operating in accordance with the regulations.

COMPANY NAME HERE believes its wireless broadband service will satisfy the FCC's regulations for license-free operation in the 2.4 GHz and 5.7 GHz frequency band and intends to use other equipment and accessories that comply with the regulations. COMPANY NAME HERE further intends to provide its wireless broadband service in the 2.4 GHz and 5.7 GHz frequency band in accordance with the applicable FCC regulations for license-free operation. There can be no assurance that COMPANY NAME HERE will not be ordered by the FCC to cease using certain installed devices on the grounds of harmful interference unless and until the Company corrects the condition causing the harmful interference. In addition, the FCC rules are technical and complicated, and are subject to review and modification, and there can be no assurance that the Company's operation of its service will satisfy, or continue to satisfy, applicable FCC requirements. Moreover, there can be no assurance that the FCC or various state or local agencies will not adopt regulations, change the interpretation or enforcement of existing regulations, or take other actions that could adversely affect the business of the Company.

Facilities

Our corporate headquarters and southwestern regional offices are located in _____. Our headquarters has approximately _____ square feet. Our lease expires in _____. In addition to our _____ offices, the Company's _____ office is in _____ with approximately _____ square feet. The _____ office is where the Company was founded. The official moving of the corporate headquarters took place _____ 2001.

Employees

As of November 30, 2001, COMPANY NAME HERE had _____ full-time employees, including 11 business development and marketing employees, 6 technical employees, and 4 administrative employees. In the near future, we expect to grow our employee base significantly.

Management

Executive Officers, Key Employees, and Directors

The following table presents certain information about our executive officers, key employees, and directors, as of November 30, 2001.

| <u>Name</u> | <u>Age</u> | <u>Position</u> |
|-------------|------------|---|
| Name Here | XX | Founder, Chief Executive Officer, Chairman of the Board |
| Name Here | XX | President, Chief Operating Officer, Director |
| Name Here | XX | Founder, Chief Technology Officer, Director |
| Name Here | XX | Chief Financial Officer |
| Name Here | XX | Director |
| Name Here | XX | Vice President of Business Development |
| Name Here | XX | Vice President of Sales |
| Name Here | XX | Director of Network Operations |

Name Here– Description of background, work history, education

Name Here– Description of background, work history, education

Name Here– Description of background, work history, education

Name Here– Description of background, work history, education

Name Here– Description of background, work history, education

Name Here– Description of background, work history, education

Name Here– Description of background, work history, education

Name Here– Description of background, work history, education

Terms of the Offering

The Offering

We are offering \$1,500,000 of Common Shares.

The offering will be made pursuant to exemptions from registration provided by Section 4(2) of the Securities Act, Regulation D promulgated thereunder and exemptions available under state and foreign securities laws and regulations. Common Shares will be offered for sale only to accredited investors who satisfy the requirements set forth in this Memorandum under “Investor Suitability Requirements.” We reserve the right to approve or disapprove of each investor and accept or reject any subscription in whole or in part, at our sole discretion. Those persons desiring to invest in the Common Shares will become parties to a stock purchase agreement (“Common Stock Purchase Agreement”) and certain related agreements. The final terms and conditions of the offering will be set forth in the Common Stock Purchase Agreement, copies of which will be furnished to each qualified prospective investor as part of the subscription procedure.

Risk Factors

The Purchase of Shares in the Company involves a high degree of risk, including but not necessarily limited to the risks set forth below. Prospective investors should consider the following matters, in addition to other factors set forth in this Business Plan and other information, documents and materials provided to the prospective investor, before making a decision to purchase shares in the Company.

No Public or Other Market for Shares

There is no public or other market for the shares, and there can be no assurance that such market will develop after an investment in the Company. The Board of Directors has arbitrarily determined the purchase price per share; and it has no direct relationship to earnings, book value, fair market value, assets or other objective standards of worth.

Restrictions on Transferability of Shares/Illicit Investment

These securities are not registered under the Securities Act of 1933, as amended (“The Securities Act”), or any applicable state securities laws and the Company has not agreed to register the Shares for distribution in accordance with the provisions of the Securities Act or any applicable state securities laws. Therefore, these Shares must be held indefinitely, unless and until subsequently registered under the Securities Act and applicable state securities laws, or unless an exemption from such registration is available. Consequently, holders of these securities may not be able to liquidate their investments if an emergency arises, or for any other reason. Each certificate representing the Shares shall be stamped or otherwise imprinted with a legend substantially in the following form:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT ONLY AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”). THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE SECURITIES UNDER SAID ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY, THAT SUCH REGISTRATION IS NOT REQUIRED.

Reliance on Board of Directors

An investor, as a shareholder of the Company, will not actually participate in the business and operations of the Company. Rather, the investor’s participation in the Company will be to participate in the future elections of the Board of Directors of the Company by voting of their Shares.

The Board of Directors of the Company is primarily responsible for and charged with overseeing all business and operations of the Company. The Board elects the President as well as all of the other officers of the Company who, in turn, are primarily responsible for the day-to-day business and operations of the Company. At the present time, the bylaws of the Company provide for _____ directors; and the initial directors of the Company are _____. The success of the business and operations of the Company is dependent in substantial part upon the experience and abilities of the _____ who will be responsible for the day-to-day business and operations of the Company. An investor should not purchase any shares in the Company unless he/she is willing to entrust all aspects of the company's business to its officers and directors.

Projections as to Income, Expenses, and Costs

All financial models contained in Business Plan are prepared on the basis of assumptions and hypotheses. Future operating results are impossible to predict and no representation of any kind is made with respect to future accuracy or Completeness of the forecast of projections as to income, expenses cost or other items. No representations or warranties of any kind are intended or should be inferred with respect to economic return which may accrue to a shareholder. An investment in the Company should be made only after adequate personal investigation of the merits of the Company.

Maximum Offering Limit May Not Be Raised

Securities regulations require that six months elapse between the time this offering is terminated and the next round of financing is commenced. In the event the maximum amount of this offering could not be raised within the one year time frame allowed, or for any other reason the Company did not have enough funds to continue operating until the Company could commence a second round of financing, the investors could lose their investment.

Incomplete Summary

Neither the Company, nor anyone on its behalf, have knowingly made any misleading or untrue statements of a material fact, or omitted to statements of a material fact necessary to make the statements made. Notwithstanding the foregoing, the Business Plan is incomplete and should not be relied upon by the investor without adequate due diligence (including requests for additional information if such investor feels it necessary in order to make an informed investment decision, see Further information), and complete reading of all documents provided to the investor and full understanding of the contents.

No Preemptive Rights

No Shareholder of the Company shall have a preemptive right because of his/her shareholdings to have first offered to him/her any part of the presently authorized Shares of the Company. Thus, any and all Shares of the Company presently authorized, and not already issued, may at any time be issued, optioned, and contracted for sale, or sold and disposed of by the Board of Directors of the Company to such persons, and upon such terms and conditions as many to the Board of the Directors see proper and advisable, without first offering such Shares or any part thereof to existing Shareholders.

Competition

The business to be carried on by the Company is highly competitive and the Company will be competing with numerous other established businesses. The success of the Company is dependent upon its ability to successfully compete with such other business; and there are no assurances that it will do so, in which case the Shares purchased by the subscriber may become worthless or substantially reduce in value. The risk is particularly in connection with the relatively new field of business involving the sale and marketing of products utilizing the Internet and e-commerce.

Compensation of Management

The directors, offices and other employees of the Company, some of whom will be shareholders, will receive fees, compensation and salary for services rendered to the Company, which fees, compensation and salary may not necessarily be dependent upon the success of the Company's business. Accordingly, subscribers understands and acknowledges that upon payment to the company of the subscription price for the Shares, the value of Subscriber's Shares in the Company will be immediately diluted inasmuch as each Share of stock issued in the Company participates pro rata in net value of the Company based upon the total number of Shares then out standing in the Company.

Forward Looking Statements

This Memorandum contains forward-looking statements, which involve risks and uncertainties. These forward-looking statements, which are usually accompanied by words such as "may," "might," "will," "should," "could," "intends," "estimates" "predicts," "potential," "continue" "believes," "anticipates," "plans," "expects," and similar expressions, relate to, without limitation, statements about our market opportunities, our strategy, our competition, our projected revenue and expense levels and the adequacy of our available cash resources. This Memorandum also contains forward-looking statements attributed to third parties relating to their estimated regarding Internet, broadband, and wireless business activity. These statements are only predictions. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this Memorandum. Our actual results could differ materially from those expressed or implied from these forward-looking statements as a result of various factors, including the risk factors described above and included in this Memorandum. We do not guarantee future results, levels of activity, performance or achievements. We are under no duty to update any of the forward-looking statements

after the date of this Memorandum to conform them to actual results or to changes in our expectations. All representations, projections, estimates, or statements (either written, stated, or implied) of revenues, costs, specific performance, or other items listed in this business plan or during any discussions with COMPANY NAME HERE owners, managers, or employees are only good faith projections. COMPANY NAME HERE makes no warranties to the success of this endeavor, either express or implied.

Outstanding Capital Stock

Authorized, Issued and Outstanding Common Stock

As of November 30, 2001, the authorized stock of the Company consists of _____ Shares of common stock and _____ Shares of Preferred Stock. As of November 30, 2001, _____ shares of common stock and equivalents have been issued on a fully diluted basis.

Options

COMPANY NAME HERE has 2,500,000 shares of common stock reserved for issuance, upon exercise of stock options, under our 2001 Stock Plan. As of November 30, 2001, there were outstanding options to purchase a total of _____ shares of common stock.

Investor Suitability Criteria

Each investor must represent in writing that it qualifies as an “accredited investor” as such term is defined in Rule 501(a) of Regulation D promulgated under the 1933 Act (and/or applicable state regulations, if narrower in scope) and that Investor falls within the “accredited investor” category or categories marked below. To be an accredited investor, an investor must fall within any of the following categories at the time of the sale of any Common Shares to that investor.

- 1) A corporation, a Massachusetts or similar business trust, a partnership, or an organization described in Section 501(c)(3) of the Internal Revenue Code, not formed for the specific purpose of acquiring the Interest, with total assets in excess of \$5,000,000;
- 2) An individual who is a managing member or executive officer of the Company;
- 3) A natural person whose individual net worth, or joint net worth with that person’s spouse, at the time of his purchase exceeds \$1,000,000;

- 4) A natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;
- 5) A trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the Interest, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the Securities Act;
- 6) An entity in which all of the equity owners are accredited investors;
- 7) A bank as defined in Section 3(a)(2) of the Securities Act whether acting in its individual or fiduciary capacity;
- 8) A savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity;
- 9) A broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934;
- 10) An insurance company as defined in Section 2(13) of the Securities Act;
- 11) An investment company registered under the Investment Company Act of 1940;
- 12) A business development company as defined in Section 2(a)(48) of the Investment Company Act of 1940;
- 13) A small business investment company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;
- 14) A plan established and maintained by a state, its political subdivision or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, with assets in excess of \$5,000,000;
- 15) An employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 in which the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment advisor, or an employee benefit plan with total assets in excess of \$5,000,000 or, if a self-directed plan, the investment decisions are made solely by persons who are accredited investors;
- 16) A private business development company as defined in Section 202(a)(22) or the Investment Advisers Act of 1940.